

SCHOOL FACILITIES BOARD
April 3, 2003
Litchfield Park, Arizona

The School Facilities Board held a board meeting at the Litchfield Elementary School District, Wigwam Creek Middle School, 4510 N. 127th Ave., Litchfield Park, Arizona. The meeting began at approximately 10:07 A.M.

Members Present

Conley, Patrice
Keenan, Brooks
McCarthy, Kevin
McGee, Kate
Metz, Forrest
Van Sittert, Logan, Chair
Vaughan, G. Keith
Wicks, Michael
Wright, John, Vice-Chair
Vicki Salazar, Superintendent's
Representative (non-voting)

Members Absent

None

Staff Present

Edward Boot, Interim Exec. Director
Tim Brand, Facilities Deputy Director
Candy Cooley, Deputy Director of MIS
Judith Darknall, Assistant Attorney
General
Tom Halverstadt, Land Specialist
Kristen Landry, Public Information
Officer
Amber Peterson, School Finance
Specialist

Guests Present

Judy Richardson, Stone & Youngberg
Cathy Rex, Architect
Larry Likes, Higley USD
Bryan Lundberg, Peacock Hislop
Jim Stricklin, Peacock Hislop
Thomas D. Rushin, Yuma ESD
John Schmadeke, Agua Fria UHSD
Gary Saber, Agua Fria UHSD
Robin Berry, Palo Verde ESD
Scott Higginson, Four Square Group /
Papago West
Robert Bernhard, Gadsden ESD
Bob Hubley, Higley USD
Jeff Cook, PinnacleOne
Bill Taylor, PinnacleOne
Jason Van Dyke, Kitchell
Adam Brill, Abacus
John Gordon, Cave Creek USD
Roxanne Morris, Saddle Mountain USD
Tom Heck, Litchfield ESD

Daniel O'Brien, Union ESD
Allen Shockley, Apache Junction USD

Bob Young, Dysart USD

Gregoria A. Moran, DLR Group
Kent Davis, Deer Valley USD
Liz Whittaker, TUSD
Lucinda Ramirez, Gadsden ESD
Dr. Ray Aguilera, Gadsden ESD
Joe Schnupp, Abacus
Lorrie Drobny, Phoenix UHSD
Jeanette Polvani, Chandler USD
Terry Beier, Coolidge USD
Mark Dowling, Roosevelt ESD
Dr. Fred Warren, Roosevelt ESD
Mary Radcliffe, Isaac Elementary
Tim O'Brien, PinnacleOne
Ray DelZotto, PinnacleOne
Ken Axford, Litchfield ESD
Randie Stein, Stone and Youngberg

Welcome

Tom Heck welcomed the School Facilities Board.

I. Call to Order

The Board Chair, Logan Van Sittert, called the meeting to order at approximately 10:07 A.M.

II. Roll Call

There were ten Board Members present at this meeting, including Vicki Salazar of ADE, a non-voting member.

III. Approval of Minutes of March 6, 2003 Meeting

Keith Vaughan moved that the Board approve the Minutes for March 6, 2003, as amended. John Wright seconded. Item IV.h. was amended to reflect that Pat Conley requested that atlases be included in the reference portion of the ASP as per the Guidelines. Motion passed on a 9-0 voice vote.

Approval of Minutes of Executive Session of March 6, 2003 Meeting

Keith Vaughan moved that the Board approve the Minutes for the Executive Session of the March 6, 2003 Meeting. John Wright seconded. Motion passed on a 9-0 voice vote.

Ed Boot directed the Board members' attention to the new SFB brochure, which was handed out at the meeting.

Mr. Boot also announced that the Isaac discussion, originally scheduled under Agenda Item VII.c., will be postponed until next month at the request of the property owners, with the district's consent. Kate McGee indicated that she was pleased this item would be postponed as some of the information arrived too late for a thorough review prior to this meeting.

IV. Director's Report

a. Deficiency Correction Update

This item was revised from the original board packet. This was an informational item only. The following issues were discussed.

- March 31, 2003 Status of Work and Performance
- PM Performance
- Cost Analysis
- Projected Schedule of Work
- Bid Protests – Ed Boot explained that the amount of bid protests on SFB work has been minimal compared to the average for State agencies.
- Tim Brand informed the Board that only 529 projects remain that need to be put into contract before June 30th.

b. Policy on Build Out of Core Schools

Pat Conley moved that the Board establish a policy that a district must be approved to build out a core school prior to the SFB approval of a new school or a new core school for the same grade configuration. Forrest Metz seconded. Candy Cooley explained that without this policy, several partially-completed schools could potentially exist within one district. In response to a

Board member's question about districts' options in relation to this policy, Ms. Cooley indicated that districts will either have to bus students or change school boundaries until one core is built-out and the district warrants additional space. In response to a question from Mike Wicks, Candy indicated that new construction will continue to be analyzed on a district-by-district basis, and that if a district provides evidence that two cores will be necessary before one of the cores is built out, then SFB staff could recommend that solution. Motion passed on a 9-0 voice vote.

c. Land Funding Timeline

John Wright moved that the Board adopt the following guidelines for determining when to provide land for a conceptually-approved school:

- K-6 - land would be provided for new schools that are proposed to open one year beyond current SFB funding. This is currently FY 2006 (August 2005).
- K-8 & 7-8 - land would be provided for new schools that are proposed to open one year beyond current SFB funding. This is currently FY 2007 (August 2006).
- 9-12 - land would be provided for new schools that are proposed to open three years beyond current SFB funding. This is currently in FY 2009 (August 2008).

Kevin McCarthy seconded. Ed Boot explained that these are guidelines, not hard standards that will dictate all decisions; land issues will still require a district-by-district review, especially for high school sites. Larry Likes, Superintendent of Higley USD, spoke on this issue and indicated that potential high school sites are limited in his district, and that based on the recommended guidelines, Higley's options may be gone by the time the district qualifies. Logan Van Sittert reminded Mr. Likes that Ed Boot had indicated that high school sites will continue to be reviewed on a district-by-district basis. Kevin McCarthy asked if schools which have been denied in the past would now qualify under these guidelines. Ed Boot explained that Tolleson Elementary would fall into this category. Kate McGee asked how these new guidelines would affect the SFB budget. Ed Boot responded that these guidelines are more restrictive than the statute, and therefore the SFB's land costs would be lower than budgeted. Kate McGee asked whether staff had looked into the possibility of holding land until a district qualifies, but Ed Boot explained that statute prohibits the SFB from taking title on land. Keith Vaughan moved that the motion be amended regarding elementary and junior high school sites to allow a two-year window beyond current SFB funding, instead of the proposed one-year window. Pat Conley seconded. The Motion regarding the amendment passed on a 8-1 voice vote with Kate McGee against. John Gordon, Superintendent of Cave Creek USD, spoke on this issue, and requested less restrictive guidelines which would allow more time for districts to secure land. Kevin McCarthy expressed concern that some of the recommendations under Agenda Item VII of this agenda are exceptions to these guidelines, and therefore these guidelines are insignificant. Mike Wicks asked if the SFB could revisit these guidelines in the future, as they are very limiting. Ed Boot responded that these guidelines are an effort to show fiscal restraint during a difficult budget time, and that the SFB would want to revisit these restrictions when budget issues become less definitive. The amended Motion passed on a 8-1 voice vote, with Kate

McGee against. Ms. McGee explained that she voted against this motion because she is not comfortable with the SFB's internal budgeting process, nor is she satisfied that the criteria is consistent or allowable by law.

d. Building Renewal Distribution and Subcommittee

This was an informational item only. Additional information was provided at the meeting. Candy Cooley explained that the first half of FY 03 Building Renewal has been disbursed; a breakout of building renewal amounts by district was provided to each of the Board members.

The Building Renewal Subcommittee was placed on the agenda in response to Kate McGee's request at the February 6, 2003 and March 6, 2003 Board meetings to discuss the establishment of a subcommittee that would provide in-depth review of Building Renewal methodology, formula, and costs. Ed Boot suggested that a technical committee under the auspice of the Board could provide more expertise in facilities and finance than a subcommittee of the Board. Staff recommended the following committee members:

Board Member	-Finance	Mike Wicks
Staff Member	-Facilities	Tim Brand
Staff Member	-Data Base	Candy Cooley
Outside Member	-Finance	Randy Stein (architect of SFB Building Renewal formula)
Outside Member	-Finance	Judy Richardson
School Member	-Facilities	Tom Rushin, Yuma Elementary Facilities Manager
School Member	-Facilities	TBD
School Member	-Finance	TBD
Industry	-Facilities	TBD, Maintenance focus
Industry	-Facilities	TBD, Maintenance focus

Ed Boot suggested that the SFB hold off on this study until the legislative session is over as certain bills, if passed, would affect the Building Renewal formula. Kate McGee felt that a subcommittee of the Board should do the study since it is the entity that is charged with administering the funds. John Wright felt that the study is necessary, and that it would make sense to wait until some of the current bills are resolved. Pat Conley agreed that the study is necessary, but she felt that it should begin immediately. Ms. Conley also suggested that a cross reference between the SFB's database and the schools' databases should be done as the study is implemented. Ms. Conley also expressed concern about including two people from the same firm on the committee (Randie Stein and Judy Richardson from Stone and Youngberg). Ed Boot replied that he believes Ms. Stein and Ms. Richardson are the two most knowledgeable people regarding Building Renewal outside of SFB staff. Brooks Keenan pointed out that the study should be technically driven, not politically driven. Keith Vaughan moved that this item be postponed until the May SFB meeting. John Wright seconded. Motion passed on a 8-1 voice vote with Pat Conley against.

e. Proposition 301 Bond Resolution

John Wright moved that the SFB approve the bond resolution which allows the SFB to issue up to \$32,865,000 in School Improvement Revenue Bonds, as per Proposition 301. Forrest Metz seconded. Jim Stricklin and Bryan

Lundberg were in attendance, representing Peacock Hislop, the Financial Advisor. Legal counselor Chuck James from Squire, Sanders & Dempsey was present and provided some answers to Board members' questions. Motion passed on a 8-1 voice vote, with Kevin McCarthy against.

f. Attorney Fees for Districts, Including Condemnation

Brooks Keenan moved that the SFB adopt a policy not to pay legal fees for districts. Forrest Metz seconded. Ed Boot indicated that several districts have requested SFB payment or reimbursement for legal fees. These costs are approximately \$10,000 - \$15,000 for Alhambra ESD, \$70,000 - \$80,000 for Creighton ESD, \$100,000 for Tanque Verde USD, and \$20,000 for Isaac ESD. The total cost for the requests made so far would likely be less than \$400,000, but could increase significantly based on a variety of factors. Motion passed on a 9-0 voice vote.

g. Qwest Update

This was an informational item only. Ed Boot updated the Board on the status of the Qwest project. Work has been completed in 945 schools, with 465 remaining.

h. Legislative Update

This was an informational item only. Candy Cooley updated the Board on the status of proposed bills that would affect the SFB and Students FIRST. HB 2001, HB 2002 and HB 2003 from the Special Session have all been enacted. HB 2012 passed the Senate Education and Senate Finance Committees on Monday. HB 2052 failed the Senate Education Committee on Monday. The remaining bills are dead unless they are brought back as "strike everything amendments".

Keith Vaughan and Kate McGee left the room for other business, and returned to the meeting as indicated in the minutes.

V. Assessment Deficiencies

a. Consideration of Funding Supplemental Assessment Deficiency Projects from the Deficiencies Correction Fund

Brooks Keenan moved that the Board approve the staff recommendation to approve the assessment deficiency projects, which will be eligible for funding from the Deficiencies Correction Fund. Pat Conley seconded. Motion passed on a 7-0-2 voice vote, with Kate McGee and Keith Vaughan absent.

b. Consideration of Assessment Deficiency Projects review, bids, bid packages, and expansion of change orders

Expansion of Scope

Forrest Metz moved that the Board approve the staff recommendation for the following projects:

1. Additional funding of \$195,092 for Project 100230103-1003-002 for Sahuarita Unified District (Sahuarita Middle School), bringing the total project cost from \$91,060 to \$285,152.
2. Additional funding of \$489,859 for Project 140401102-9999-004 for Yuma Elementary District (George Washington Carver Elementary School), bringing the total project cost to \$751,042.

John Wright seconded. Keith Vaughan returned during the discussion of this item. Motion passed on a 8-0-1 voice vote with Kate McGee absent.

c. Consideration of Ratification of CM @ Risk Contracts, GMP applied and Purchase Orders Issued

John Wright moved that the Board ratify the CM @ Risk contracts for the School Facilities Board and the districts and vendors listed under agenda item V.c. Keith Vaughan seconded. Kate McGee returned during the discussion of this item. Motion passed on a 9-0 voice vote.

d. Consideration of Ratification of Contracts for Deficiency Corrections Projects

Keith Vaughan moved that the Board ratify the contract awards for the School Facilities Board and the districts and vendors listed under agenda item V.d. John Wright seconded. Motion passed on a 9-0 voice vote.

e. Consideration of Ratification of Change Orders for Deficiency Corrections Projects

Kate McGee moved that the Board ratify the change orders for the districts and vendors listed under agenda item Ve. Brooks Keenan seconded. Motion passed on a 9-0 voice vote.

f. Consideration of Other Deficiency Correction Issues

There were no districts listed under this agenda item.

VI. New School Construction

a. Consideration of 2003 Capital Plan New Construction Requests

Saddle Mountain and Union Elementary School Districts requested to be pulled off of this agenda item. Brooks Keenan moved that the Board approve the staff recommendation as follows:

1. That the Board approve the staff recommendation to **approve** project 070516000-9999-001N, the build out of Desert Edge High School to accommodate the remaining 800 students for Agua Fria Union High School District to open in FY 06, for a total project cost of \$8,697,480.
2. That the Board approve the staff recommendation to **deny** Laveen Elementary School District's requests for a core K-6 school in FY 05 and a core 7-8 middle school in FY 06.
3. That the Board approve the staff recommendation to **deny** Palominas Elementary School District's request for additional K-8 space in FY 05.
4. That the Board approve the staff recommendation to **deny** Santa Cruz Valley Unified District's request for a new 6-8 middle school in FY 05, but to **approve** \$2,751,462 for project 120235000-9999-005N, the build out of a previously-approved core 6-8 middle school, to accommodate the remaining 400 students in FY 03.
5. That the Board approve the staff recommendation to **rescind** Williams Unified School District's project 030202000-9999-001N (core K-6 to open FY 04), and to **deny** the district's request for a 6-8 middle school to open FY 05.
6. That the Board approve the staff recommendation to **deny** Yuma Union High School District's request for a core high school in FY 06, but to **approve** \$7,533,383 for project 140570000-9999-001N, the build out of

San Luis High School, to accommodate the remaining 900 students in FY 06.

Forrest Metz seconded. Daniel O'Brien from Union ESD spoke on this item and indicated that the policy which was adopted under Agenda Item IV.b. regarding the build out of core schools could negatively impact his district, which was being recommended for a core school. Union ESD was removed from the agenda. Staff will meet with the district and bring a recommendation to the May meeting. Keith Vaughan suggested that a subcommittee be established to discuss the capacity of a core school and its effect on the New Construction analysis. Ed Boot agreed that core schools are problematic and to put this item on a future agenda. Motion passed on a 9-0 voice vote.

b. Consideration of New Construction Projects Review, Bids, Bid Packages and Change Orders, and Expansion/Change of Scope and Increased Project Cost

This item was revised from the original board packet. Revised recommendations were provided to Board members at the meeting. John Wright moved that the Board approve the staff recommendation as follows:

1. Approve Gadsden Elementary District's request to go to bid on a School Facilities Board project in the amount of \$3,726,830 for the core K – 6 elementary school facility, project number 140432000-9999-007N. The district may not proceed to award the GMP for this project until it receives written permission from the Interim Executive Director.
2. Approve Palo Verde Elementary District's request to go to bid on a School Facilities Board project in the amount of \$2,199,975 for the additional K – 8 square footage, project number 070449000-9999-001N and additional funding of \$228,000 for specific site conditions.
3. Approve Santa Cruz Valley Unified District's request to go to bid on a School Facilities Board project in the amount of \$3,989,759 for the a core K-5 elementary school, project number 120235000-9999-001N and additional funding of \$645,238 for specific site conditions. The district may not proceed to award the GMP for this project until it receives written permission from the Interim Executive Director.
4. Approve Santa Cruz Valley Unified District's request to go to bid on a School Facilities Board project in the amount of \$5,111,368 for the a core 6-8 middle school, project number 120235000-9999-002N and additional funding of \$602,976 for specific site conditions. The district may not proceed to award the GMP for this project until it receives written permission from the Interim Executive Director.

Keith Vaughan seconded. Motion passed on a 8-0-1 voice vote, with Forrest Metz abstaining.

c. Expansion/Change of Scope and Increased Project Cost
Deer Valley Unified

Pat Conley moved that the Board approve the staff recommendation for additional funding in the amount of \$828,000 to provide for the site-specific conditions that exist at this school site for project #070297000-999-212N. Brooks Keenan seconded. Kent Davis, Assistant Superintendent for Deer Valley USD, spoke on this issue and responded to Board members' questions. Motion passed on a 9-0 voice vote.

d. Consideration of Other New Construction Issues
2003 New Construction Plan

Keith Vaughan moved that the Board approve the 2003 New Construction Plan, which includes conceptual new construction projects for FY 2006 through FY 2010. John Wright seconded. Kevin McCarthy requested SFB staff to prepare a cash flow analysis based on all projects that are approved or conceptually-approved. Motion passed on a 9-0 voice vote.

Keith Vaughan moved that the Board go into Executive Session for the purpose of discussing land issues and to seek legal advice if necessary. Forrest Metz seconded. Motion passed on a 9-0 voice vote. This session was not open to the public, and the Board held a working lunch simultaneously.

Executive Session was held from approximately 12:27 P.M. to 1:20 P.M.

VII. Consideration of Request for Land or Real Property Purchase, Lease, or Donation, including requests from:
a. Steps I and/or II

John Wright made a motion regarding Chandler USD, Coolidge USD, and Yavapai Accommodation District. Mike Wicks seconded. Kevin McCarthy then requested that the motion be amended to address only Chandler USD and Coolidge USD.

Chandler Unified

John Wright moved that the Board Accept Staff recommendation to approve Chandler Unified School District's request for a high school site (project number 070280000-9999-007L) and move to Step III. Mike Wicks seconded. Motion passed on a 8-0-1 voice vote, with Kate McGee absent.

Coolidge Unified

John Wright moved that the Board Accept Staff recommendation to approve Coolidge Unified School District's request for a high school site (project number 110221000-9999-007L) and move to Step III. Mike Wicks seconded. Motion passed on a 8-0-1 voice vote, with Kate McGee absent.

Yavapai Accommodation

John Wright moved that the Board Accept Staff recommendation to approve Yavapai Accommodation School District's request for a high school site (project number 130199000-9999-002L) and move to Step III. Mike Wicks seconded. Motion failed on a 4-5 voice vote, with Forrest Metz, John Wright, Mike Wicks, Kate McGee, and Kevin McCarthy against. John Wright then made a motion regarding Agenda Item VII.b., but staff requested that the Board members return to Item VII.a. and take action on Yavapai Accommodation District. John Wright moved that this item be tabled until the necessary documentation is received from the district. Forrest Metz seconded. Kate McGee requested a copy of the requirements that were established by the Accommodation District Subcommittee, and a written update on the bill related to accommodation districts. Motion passed on a 9-0 voice vote.

b. Step III

Coolidge Unified

John Wright moved that the Board approve Staff recommendation to approve the funding of a state land lease for a high school site for the Coolidge Unified School District (project number 110221000-9999-007L). Forrest Metz seconded. John Wright withdrew his motion at the request of staff to return to Item VII.a. Once Item VII.a. was resolved, John Wright moved that the Board approve Staff recommendation to approve the funding of a state land lease for a high school site for the Coolidge Unified School District (project number 110221000-9999-007L). Mike Wicks seconded. Motion passed on a 9-0 voice vote.

Maricopa County Regional

John Wright moved that the Board approve Staff recommendation to approve the purchase of an elementary school site for the Maricopa County Regional School District (project number 070199000-9999-001L). Mike Wicks seconded. Motion passed on a 7-2 voice vote, with Kate McGee and Kevin McCarthy against.

Phoenix Union

John Wright moved that the Board approve Staff recommendation to reconsider Phoenix Union High School District's request for a high school site (project number 070510000-9999-001L). Mike Wicks seconded. Kevin McCarthy pointed out that this recommendation contradicts the Land Funding Timeline that was adopted under Agenda Item IV.c. Logan Van Sittert felt that the SFB would be missing a good opportunity if it did not agree to buy the land at this time. Kevin McCarthy suggested that the SFB should buy land for all districts, not only the districts that submit Capital Plans. Motion passed on a 5-4 voice vote with Pat Conley, Forrest Metz, Kate McGee, and Kevin McCarthy against.

John Wright made a motion regarding both Roosevelt ESD projects. Mike Wicks seconded. Pat Conley requested that the two recommendations for Roosevelt ESD be addressed in two separate motions. John Wright amended his motion and Mike Wicks concurred as the seconder of the motion.

Roosevelt Elementary

John Wright moved that the Board approve Staff recommendation to approve the purchase of a K-8 elementary school site for the Roosevelt Elementary School District (project number 070466000-9999-001L). Mike Wicks seconded. Motion passed on a 9-0 voice vote.

Roosevelt Elementary

John Wright moved that the Board approve Staff recommendation to approve the purchase of a K-8 elementary school site for the Roosevelt Elementary School District (project number 070466000-9999-002L). Mike Wicks seconded. Motion passed on a 7-2 voice vote with Pat Conley and Forrest Metz against.

c. Consideration of Other Land Related Issues

Isaac Elementary

This item was removed from the agenda.

- VIII. Replenishment of Contingency Funds for Packages including:
Keith Vaughan moved that the Board approve the staff recommendation to approve the supplemental contingency funds for packages A, B, D, E, G, H, K, M, N, P and Q in the amount of \$6,974,904.58. John Wright seconded. Motion passed on a 9-0 voice vote. Ed Boot indicated that SFB staff anticipates a balance in this fund at the end of June.
- IX. Request for Reduction of Square Footage
Coolidge Unified
John Wright moved that the Board approve the staff recommendation to approve Coolidge Unified District's request to:
- Transfer Building 1010 (1,762 SF) from West Elementary School to Coolidge High School Success Center (and exclude this space)
 - Transfer Building 1004 (1,800 SF) from Coolidge Intermediate School to Coolidge High School Success Center (and exclude this space)
 - Eliminate Building 1012 (626 SF) from Coolidge High School
 - Eliminate Building 1013 (626 SF) from Coolidge High School
- Brooks Keenan seconded. Motion passed on a 8-0-1 voice vote with Kate McGee abstaining.
- X. Request for Waiver from Guidelines
There were no districts listed under this agenda item.
- XI. Finance Report
This was an informational item only. Candy Cooley updated the Board on the status of the three funds (Building Renewal, New School Facilities, and Deficiencies Correction). Kevin McCarthy requested that future reports show balances and cash flow beyond FY 04, and that the monthly reports reflect the actions recommended for that month.
- XII. Future Agenda Items
Reimbursement for district land purchases
Building Renewal subcommittee
Core school subcommittee
Isaac ESD
Possibility of an accommodation district's sale proceeds reverting to the State
Cash flow for conceptual projects
- XIII. Public Comment
None

Adjournment

There being no further business Board Chair, Logan Van Sittert, adjourned the meeting at approximately 1:59 P.M.

Approved by the School Facilities Board on _____, 2003

Logan Van Sittert, Chair